KENT CONRAD NORTH DAKOTA 202-224-2043 COMMITTEES
AGRICULTURE, NUTRITION,
AND FORESTRY
FINANCE
BUDGET
INDIAN AFFAIRS

United States Senate

WASHINGTON, DC 20510-3403 January 14, 2004

Mr. Bobby Acord Administrator Animal and Plant Health Inspection Service U.S. Department of Agriculture 1400 Independence Avenue, SW, Room 312-E Washington, D.C. 20250

Dear Mr. Acord:

I am writing to urge that the Animal and Plant Health Inspection Service (APHIS) conduct a thorough assessment of the economic, trade, and environmental impact of genetically modified wheat before a decision is made on whether to approve the commodity for commercial production in the United States.

As you may know, wheat is the mainstay of North Dakota's rural economy. North Dakota is the nation's number one producer of both spring and durum wheat, and the second largest producer of wheat overall. Thus, any regulatory or commercial action that may put at risk the production or marketing of wheat is of keen interest to me and producers in my state.

The concerns of North Dakota's wheat producers are made more acute by the fact that we share a border with Canada, compete directly with Canada in the international market for spring and durum wheat, and actually import a significant amount of both from Canada. Thus, reports that the Canadian Wheat Board remains adamantly opposed to the commercialization of genetically modified wheat in Canada only underscores the market risk to U.S. producers if a unilateral decision is made to approve the production of genetically modified wheat in the United States only. Our producers most emphatically do not want to be the "guinea pig" when it comes to the introduction of this product and the struggle for acceptance in the international marketplace.

Adding to concerns in our state is the fact that North Dakota ranks second in the nation in the amount of cropland acreage devoted to organic crops – principally small grains. Should it prove impossible to segregate genetically modified wheat, as is likely to be the case, then North Dakota's sizable organic industry may be placed at considerable risk.

Many of these concerns are summarized and quantified in a report issued last year by North Dakota State University entitled, "Potential Impacts of GM Wheat on United States and Northern Plains Wheat Trade", which may be found at http://agecon.lib.umn.edu. Among the study's findings are, "[If] segregation is unsuccessful, producer welfare in the United States drops by \$10.56 per metric ton, or about \$0.29 per bushel for spring wheat and \$0.30 for winter wheat.



Producer welfare for Canadian producers increases \$16.53 per metric ton, or about \$0.45 per bushel, because Canada exports non-GM wheat to Japan, S. Korea, and the EU."

Finally, as you continue your review of this issue, I would encourage APHIS officials to visit directly with North Dakota's wheat industry in order to gather a firsthand assessment of concerns in the state.

Thank you for your consideration.

Sincerely,

KENT CONRAD

United States Senate